

Message Text

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ACTION AF-10

INFO OCT-01 EUR-12 EA-07 ISO-00 CIAE-00 DODE-00 PM-05
H-01 INR-07 L-03 NSAE-00 NSC-05 PA-01 PRS-01
SP-02 SS-15 USIA-06 EB-08 AID-05 IO-13 ARA-10
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R 030835Z AUG 77
FM AMEMBASSY MAPUTO
TO SECSTATE WASHDC 6100
INFO AMEMBASSY DAR ES SALAAM
AMEMBASSY GABORONE
AMEMBASSY LILONGWE
AMEMBASSY LISBON
AMEMBASSY LONDON
AMEMBASSY LUSAKA
AMEMBASSY MBABANE
AMEMBASSY MOSCOW
USLO PEKING
AMEMBASSY PRETORIA

C O N F I D E N T I A L SECTION 1 OF 2 MAPUTO 0949

E.O. 11652: GDS
TAGS: EGEN, PINS, SGEN, MZ
SUBJECT: MOZAMBIQUE ASSESSMENT

REF: 1976 MAPUTO 0886

1, BEGIN SUMMARY. PARAS 4 THROUGH 11 OF THIS TELEGRAM PROVIDE
A SUMMARY ASSESSMENT OF MOZAMBIQUE POLICIES AND THE TRENDS AS
WE SEE THEM FOR THE NEXT YEAR OR TWO. END SUMMARY.

2. ONE YEAR AGO THE EMBASSY SUBMITTED A SERIES OF TELEGRAMS
ASSESSING HOW MOZAMBIQUE HAD FARED DURING ITS FIRST YEAR OF
INDEPENDENCE AND WHERE IT APPEARED TO BE HEADING. WE ARE NOW
UPDATING THESE ASSESSMENTS. THIS TELEGRAM CONTAINS OUR OVER-
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VIEW AND CONCLUSIONS. IN SUBSEQUENT TELEGRAMS WE WILL ASSESS:
--INTERNAAL STABILITY IN MOZAMBIQUE;
--DOMESTIC POLICY GOALS AND PERFORMANCE;
--FOREIGN POLICY GOALS AND PERFORMANCE; AND
--RELATIONS WITH THE COMMUNISTS

3. WE WILL NOT SUBMIT AT THIS TIME SEPARATE ASSESSMENTS OF

MOZAMBIQUE'S ECONOMY OR THE STATE OF U.S. -MOZAMBIQUE RELATIONS.
A REVIEW OF MOZAMBIQUE'S ECONOMY WAS THE SUBJECT OF UN REPORT
A/32/96 OF JUNE 9, 1977. THIS REPORT, AND THE EMBASSY'S
ECONOMIC TRENDS REPORT (MAPUTO A-022 OF MARCH 8, 1977)
PROVIDE A REASONABLY CURRENT ASSESSMENT OF THE ECONOMY BASED ON
AVAILABLE INFORMATION. FOR OUR ASSESSMENT OF U.S.-MOZAMBIQUE
BILATERAL RELATIONS WE WISH TO AWAIT PRESIDENT MACHEL'S
RESPONSE TO PRESIDENT CARTER'S MESSAGE OF APRIL 16.

4. SYNOPSIS AND CONCLUSIONS. TWO YEARS AFTER INDEPENDENCE, THE
MOZAMBIQUE GOVERNMENT (GPRM) IS PREOCCUPIED WITH TWO MAJOR
PROBLEMS.

A. A DETERIORATING ECONOMY. MOST ECONOMIC INDICATORS CONTINUE
TO DECLINE: AGRICULTURAL AND INDUSTRIAL PRODUCTION IS DOWN,
THE ACCUMULATED BUDGET DEFICIT IS EXPECTED TO INCREASE FROM
\$22 MILLION IN 1975 TO \$110 MILLION BY THE END OF 1977, AND
(IN THE WORDS OF THE JUNE UN REPORT) "THE GOVERNMENT OF
MOZAMBIQUE IS FACING SEVERE FINANCIAL AND BALANCE OF PAYMENTS
CONSTRAINTS." MANPOWER SHORTAGES, PARTICULARLY AT THE INTER-
MEDIARY LEVELS, CONTINUE TO PLAGUE THE GOVERNMENT, WHILE AT
THE UNSKILLED LEVELS UNEMPLOYMENT AND UNDEREMPLOYMENT ABOUND.
MOST EMBARRASSING FOR THE GOVERNMENT HAVE BEEN THE RECURRENT
SHORTAGES OF FOOD STAPLES. DROUGHTS AND FLOODS HAVE COMPOUNDED
THE SUPPLY PROBLEM. THE GOVERNMENT IS TRYING TO HALT THE DOWN-
WARD TREND, BUT TO DATE THE ESTABLISHMENT OF NEW GOVERNMENT
MACHINERY, THE HOLDING OF SEMINARS AND THE EXHORTATION OF
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SOCIALIST RHETORIC HAVE HAD LITTLE EFFECT.
B. ZIMBABWE. THE GPRM REMAINS STRONGLY COMMITTED TO THE
LIBERATION OF ZIMBABWE, AND HAS PAID A HIGH PRICE, ECONOMICALLY
AND MILITARILY, FOR ITS SUPPORT OF THE ARMED STRUGGLE. THE
SMITH REGIME HAS CARRIED OUT MORE THAN 140 RAIDS INTO MOZAM-
BIQUE BETWEEN MARCH 1976 AND MARCH 1977. THE GPRM IS AWARE
THAT IT CANNOT PREVENT THESE RAIDS AND THAT EVEN MORE PENE-
TRATING AND PUNISHING ATTACKS ARE AN EVER-PRESENT THREAT. MACHEL
HAS CONSIDERED THE POSSIBILITY OF INVITING CUBAN FORCES TO HELP
DEFEND HIS BORDER, BUT HE HAS DESISTED OUT OF DEFERENCE TO HIS
FRONT-LINE COLLEAGUES, NYERERE AND KAUNDA, WITH WHOM HE MAIN-
TAINS CLOSE RELATIONS. MEANWHILE, THE SOVIETS ARE SHIPPING IN
MORE SOPHISTICATED ARMS AND STEPPING UP THE TRAINING OF
ZIMBABWEAN AND MOZAMBIKAN FORCES, BUT THE RESULTS IN TERMS OF
COMBAT EFFECTIVENESS HAVE AS YET NOT BEEN NOTICABLE.

5. DESPITE SETBACKS ON THE ECONOMIC AND MILITARY FRONTS,
PRESIDENT MACHEL AND THE FRELIMO PARTY SEEM TO BE IN EFFECTIVE
CONTROL THROUGHOUT MOST OF THE COUNTRY. THERE HAS BEEN NO
SERIES CHALLENGE TO THE REGIME SINCE DECEMBER 1975. CLANDES-
TINE ORGANIZATIONS, SUCH AS FUMO, DO NOT COMMAND MUCH FOLLOW-
ING. THE POPULATION, WHILE UNHAPPY WITH THE STATE OF THE

ECONOMY, HAS NOT TURNED AGAINST THE GOVERNMENT, WHICH HAS BEEN QUICK TO PURGE AND PUNISH OFFICIALS WHEN CORRUPTION OR GROSS MISMANAGEMENT SURFACE. FOLLOWING THE COUP ATTEMPT IN ANGOLA IN MAY, THE GOVERNMENT DECIDED TO GUARD AGAINST SUCH A EVENTUALITY HERE BY PAYING MORE ATTENTION TO THE LOYALTY AND POLITICAL INDOCTRINATION OF ITS MILIARY AND SECURITY FORCES. THERE IS NO EVIDENCE OF DISSIDENCE WITHIN THE ARMY. JUDGING BY THE FREQUENCY AND EASE WITH WHICH HE TRAVELS IN AND OUT OF MOZAMBIQUE, MACHEL IS CONFIDENT OF HIS SECURITY.

6. MACHEL REMAINS THE DOMINATE FORCE WITHIN THE PARTY AND THE GOVERNMENT. NONE OF HIS LEADING AIDES--MINISTER OF DEVELOPMENT MARCELINO DOS SANTOS, MINISTER OF FOREIGN AFFAIRS JOAQUIM CHISSANO, MINISTER OF DEFENSE ALBERTO CHIPANDE OR CONFIDENTIAL

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PARTY COMMISSAR OF THE ARMY ARMANDO GUEBUZA--POSES A SERIOUS THREAT TO MACHEL. THERE HAS BEEN NO PURGE OF THE PARTY SINCE INDEPENDENCE, NOR FOR THAT MATTER HAS MUCH NEW BLOOD BEEN INTRODUCED INTO THE PARTY RANKS. THE DYNAMIZING GROUPS HAVE BEEN GIVEN THE TASK OF INVIGORATING THE NOW-VANGUARD PARTY, BUT THE PERFORMANCE OF THESE CORE PARTY GROUPS HAS ON THE WHOLE BEEN DISAPPOINTING. MACHEL AND A DOZEN OR SO KEY OFFICIALS WHO RUN THE GOVERNMENT GIVE LIP SERVICE TO "DEMOCRATIC CENTRALISM," BUT CONTINUE TO RULE BY DECREE.

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7. THE THIRD PARTY CONGRESS IN FEBRUARY ATTESTS TO THE PARTY'S STRONG COMMITMENT TO MARXISM-LENINISM. THE PARTY RHETORIC EMPHASIZES SCIENTIFIC SOCIALISM, NOT AFRICAN OR MOZAMBICAN ADAPTATIONS. COLLECTIVIZATION OF AGRICULTURE CONTINUES TO RECEIVE PRIORITY ATTENTION, ALTHOUGH SOME OF THE IDEOLOGUES IN THE PARTY ARGUE FOR INDUSTRIALIZATION AS THE ONLY SURE WAY TO DEVELOP A REVOLUTIONIZED PROTELARIAT AND PARTY CADRE. LACK OF TRAINED MANPOWER AND THE TRADITIONALISM OF THE PEASANTRY HAVE SLOWED THE IMPLEMENTATION OF THE GOVERNMENT'S PROGRAMS. IN FACT, THE GOVERNMENT DOES NOT HAVE ENOUGH QUALIFIED PERSONS TO RUN THE FARMS AND INDUSTRIES ABANDONED BY DEPARTING PORTUGUESE. AS A RESULT, THERE HAVE BEEN FEW NEW NATIONALIZATIONS (INSURANCE COMPANIES, THE REFINERY AND A
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PARTIALLY-OWNED AMERICAN POULTRY FIRM) EVEN THOUGHT STATE OWNERSHIP OF ALL MEANS OF PRODUCTION REMAINS THE GOAL OF THE PARTY.

8. MOZAMBIQUE'S RELATIONS WITH THE COMMUNIST AND SOCIALIST COUNTRIES--ITS "NATURAL ALLIES"--REMAIN CLOSE. THE VISIT OF NICOLAI PODGORNEY TO MOZAMBIQUE, THE SIGNING OF THE FRIENDSHIP TREATY, THE COMMENCEMENT OF NAVAL SHIP VISITS, AND THE PRESENTATION OF THE LENIN PEACE PRIZE TO MACHEL ARE EVIDENCE OF SIGNIFICANT SOVIET INFLUENCE IN MOZAMBIQUE. THE CHINESE WERE INACTIVE FOR MUCH OF THE YEAR AND HAVE NOT REGAINED THE INFLUENCE THEY HELD SHORTLY AFTER INDEPENDENCE. THE CUBANS, INCLUDING MILITARY ADVISORS, ARE BEGINNING TO ARRIVE IN GREATER NUMBERS FOLLOWING CASTRO'S VISIT AND THE CONCLUSION OF A COOPERATION AGREEMENT. EAST GERMAN INFLUENCE REMAINS STRONG IN THE MEDIA.

9. TWO YEARS OF DIPLOMATIC DEALINGS WITH THE WEST SEEM TO HAVE LESSENED MOZAMBICAN SUSPICIONS AND THERE HAVE BEEN SOME NEW OPPORTUNITIES AND OPENINGS FOR THE WESTERN COUNTRIES. THE INITIATIVES PURSUED BY THE U.S. AND THE UK IN ZIMBABWE AND THE FIVE IN NAMIBIA HAVE EARNED THE WEST SOME CREDIT, EVEN THOUGH MACHEL QUESTIONS WESTERN MOTIVES AND DOUBTS MUCH WILL COME OF THE EFFORTS. THE NORDIC COUNTRIES, THE UK AND THE U.S. ARE

MOZAMBIQUE'S LARGEST DEVELOPMENT AID DONORS, AND THIS IS NOT LOST ON THE MOZAMBICANS. RELATIONS WITH THE PORTUGUESE HAVE UNTIL RECENTLY BEEN POOR, BUT THE EXCHANGE OF AMBASSADORS AUGURS AN IMPROVEMENT. THE GPRM SEEMS TO BE AWARE THAT ITS ECONOMY WILL DETERIORATE STILL FURTHER IF IT IS UNABLE TO RECRUIT PORTUGUESE TECHNICIANS. SIMILAR REALISTIC CONSIDERATIONS HAVE PERSUADED THE GOVERNMENT TO MAINTAIN ITS UNPOULICIZED LINKS WITH SOUTH AFRICA, I.E. THE RECRUITMENT OF MOZAMBICAN MINERS, THE TRANSIT OF OF TRANSVAAL GOODS THROUGHT THE

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PORT OF MAPUTO AND THE SALE OF POWER FROM CABORA BASA.

10. THERE HAVE BEEN SOME MODEST PLUSES IN U.S. -MOZAMBIQUE RELATIONS. MACHEL APPEARS TO PERCEIVE DEBELOPMENTS IN THE UNITED STATES SINCE THE RENEWED AMERICAN INTEREST IN SOUTHERN AFRICA IN THE SPRING OF 1976 TO BE DEVELOPMENTS IN THE RIGHT DIRECTION. HE APPRECIATED THE \$10 MILLION GRANT AND THE FOOD AID WE PROVIDED AND IS ON BALANCE PLEASED WITH THE NEW CARTER ADMINISTRATION. AS A RESULT OF OUR EFFORTS TO FIND A PEACEFUL SETTLEMENT IN RHODESIA, WE HAVE HAD LIMITED ACCESS TO MACHEL. WITH THE RELEASE OF THE REMAINING AMERICAN MISSIONARY FROM PRISON, THERE IS AT THE MOMENT NO SPECIFIC IRRITANT TO MAR RELATIONS. HOWEVER, MOZAMBIQUE'S BIAS REMAINS VERY MUCH ANTI-WESTERN AND PRO-COMMUNIST, AS IS REFLECTED IN A HOSTILE MOZAMBICAN PRESS AND IN GLOBAL POLICIES GENERALLY ANTITHETICAL TO THOSE OF THE U.S.

11. FOR THE NEXT YEAR OR TWO, WE PREDICT:

--MACHEL AND FRELIMO WILL RETAIN THEIR CONTROL OVER THE COUNTRY. WE SEE NO SERIOUS CHALLENGES ARISING FROM WITHIN THE PARTY OR, MORE IMPORTANTLY, THE ARMY.

--THERE WILL BE A FURTHER DOWNTURN IN THE OVERALL ECONOMY, WITH PERHAPS SOME MINOR IMPROVEMENT IN A FEW SECTORS SUCH AS AGRICULTURAL PRODUCTION. THE EXODUS OF 5 TO 10 THOUSAND PORTUGUESE TECHNICIANS THIS SUMMER WILL SERIOUSLY TEST THE ADMINISTRATION, AND WE WOULD ANTICIPATE OCCASIONAL BREAKDOWNS OF ESSENTIAL SERVICES. DEVELOPMENT WILL LAG BECAUSE OF LACK OF MANPOWER AND SHORTAGES OF GOVERNMENT REVENUE. FOREIGN EXCHANGE IF LIKELY TO BECOME A SERIOUS PROBLEM ONCE THE SOUTH AFRICAN GOVERNMENT RENEGOTIATES ITS MINING RECRUITMENT ACCORD WITH THE MOZAMBIQUE GOVERNMENT.

--THERE WILL BE NO LET UP OF MOZAMBIQUE'S SUPPORT OF THE ARMED STRUGGLE IN ZIMBABWE. SOVIET AND CUBAN MILITARY ADVISERS AND SOPHISTICATED MILITARY EQUIPMENT ARE LIKELY TO BE MORE IN EVIDENCE. SHOULD SMITH, FOR WHATEVER REASON, FEEL IT NECESSARY TO LAUNCH A PUNITIVE AND PENETRATING ATTACK INTO MOZAMBIQUE,

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WE WOULD EXPECT MOZAMBIQUE TO INVITE FOREIGN MILITARY FORCES, INCLUDING CUBAN, TO COME TO ITS AID.

--MOZAMBIQUE WILL RETAIN ITS CLOSE AND FRIENDLY RELATIONSHIP WITH THE COMMUNIST COUNTRIES AND WILL CONTINUE TO SUPPORT THEM ON MOST GLOBAL ISSUES OF INTEREST TO US. WE DO NOT, HOWEVER, EXPECT MOZAMBIQUE TO GRANT THE SOVIETS MILITARY BASE FACILITIES IN MOZAMBIQUE. MACHEL WILL PROBABLY TRY TO MAINTAIN GOOD RELATIONS WITH BOTH THE SOVIETS AND THE CHINESE. WE WOULD NOT BE SUPRISED TO SEE AN IMPROVEMENT IN CHINESE-MOZAMBIQUE RELATIONS, PERHAPS COMMENCING WITH IMPLEMENTATION OF SOME NEW CHINESE AID PROJECTS.

--RELATIONS WITH THE WEST, INCLUDING THE U.S. , SHOULD CONTINUE TO SHOW SOME SLIGHT IMPROVEMENT AS DIPLOMATIC DEALINGS AND DEVELOPMENT ASSISTANCE AND TRADE EXPAND. WE EXPECT THAT MOZAMBIQUE WILL EVENTUALLY JOIN THE IMF AND IBRD. MOZAMBIQUE MAY EVEN SEEK TO LURE PRIVATE FOREIGN INVESTMENT, BUT WE SEE FEW TAKERS. WE EXPECT MOZAMBIQUE TO RETAIN ITS QUIET COMMERCIAL TIES WITH SOUTH AFRICA.

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Message Attributes

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